

AIG Talking Points

The Utah Insurance Commissioner is communicating extensively with other state regulators and the New York Insurance Department and the Pennsylvania Insurance Department, the two states with primary regulatory control over the AIG insurance companies, to determine the impact of the financial difficulties of the non-insurance holding company, American International Group (AIG) on its insurance subsidiaries in the United States and on their insurance policy holders.

It is important to understand that the current crisis at AIG is a consequence of the financial difficulties of the non-insurance holding company of AIG, and not a result of failures of the AIG insurance companies. AIG's insurance companies, both life and property and casualty insurance companies are solvent and have the capability to pay policy holder claims. State regulators will ensure that they will continue to have the ability to provide the coverage for which premiums have been paid by policyholders.

The top priority of the Utah Insurance Department is the protection of AIG policyholders residing in Utah. It is important that policyholders continue to pay their premiums to ensure that their coverage does not lapse.

None of the insurance companies under the AIG umbrella are domiciled in Utah and all of the policies held by Utahns are issued by companies domiciled in and directly regulated by other state insurance departments. That is why Commissioner Michie is in extensive discussions with all other insurance regulators around the country through the National Association of Insurance Commissioners.

In the unlikely event that the arrangement put together by the federal regulator of the non-insurance holding company and state insurance regulators does not solve the holding company's financial issues, Utah policy holders should be aware that, the Utah insurance guaranty funds are available to provide protection to injured policyholders.

If any AIG insurance company writing business in Utah is not able to pay its claims and fulfill its promise to its policy holders, the Utah Insurance Commissioner will use every regulatory and legal tool available to ensure that policy holders get the benefit of their bargain.